

to hand BellSouth, through its subsidiary, a monopoly over all payphone locations at which BellSouth-owned payphones are located.

That BellSouth and other RBOCs are unashamedly espousing such a preposterous theory is demonstrated by a letter presented by Ameritech in defense of its own anticompetitive behavior. Exhibit O. Ameritech as much as concedes this point when it audaciously argues that LEC-affiliated payphone operations are not required by "Section 276 to accept PIC changes blindly from their premises owners in the same neutral, uninvolved way the LECs themselves must accept PIC changes from their end users."

Under such a theory, BellSouth, like Ameritech, may claim that its new payphone affiliate has become the customer for payphone services at all locations at which BellSouth payphones exist; that it may dictate the service providers for that location to the exclusion of the public; that the only competition intended is for locations at which private payphones exist (about 10-20% of the total market); that BellSouth's CEI obligations as a LEC do not extend to these payphone locations; that BellSouth can use its unique monopoly status as the LEC to assist, direct and control consumer choice of PICs, and that BellSouth may market payphone services as if BellSouth-the-LEC is not only the payphone provider, but also the PIC.

Such a position is so absurd as to warrant little further comment. It violates logic, rational thought and any concept of competition. Such an approach to market entry under Section 276, makes Ameritech's practices on PIC protection, already found misleading and anticompetitive by the ICC and the Illinois courts, pale in comparison. Moreover, it turns the purposes of Section 276

and the FCC nonstructural safeguards on their heads making them potent weapons against competition, rather than its protectors.

BellSouth attempted to respond the IPSPCC's opposition to its Application for South Carolina.¹⁷ BellSouth's position, as asserted in its South Carolina Reply and supporting affidavit of Mr. Shinholster, does not address the issues raised nor rebut the facts presented by IPSPCC about BellSouth's anticompetitive behavior in the payphone market in its operating territories.

Mr. Shinholster categorizes the IPSPCC complaints about BellSouth's tactics and presents a brief response to each. Mr. Shinholster's statements beg the question. First, the IPSPCC is little worried about the staff of BellSouth's payphone subsidiary, BSPC, being "rude." Shinholster Aff. ¶ 3.A. The grounds of the IPSPCC's opposition to BellSouth's instant application is that BellSouth has deliberately inserted its "competitive" payphone subsidiary, BSPC, into the ordering process used by its payphone provider competitors. BPC has been inserted into this process in order to frustrate it and to prevent competitors from fulfilling orders of end user location providers for a preferred carrier other than BPC's own PIC, TelTrust. Mr. Shinholster therefore confirms that BellSouth has in fact put its own competitive payphone arm in place to handle (impede) the orders of its competitors. *Id.*

¹⁷ See, *Reply Brief in Support of Application by BellSouth for Provision of In-region, InterLATA Services in South Carolina*, CC Docket No. 97-208, pp.102-103 ("South Carolina Reply Br.") (attached hereto as Exhibit P) and the accompanying affidavit of Melvin R. Shinholster, Manager of BellSouth Public Communications, Inc. (BPC), November 13, 1997, Tab 6, Appendix to BellSouth's South Carolina Reply ("Shinholster Aff.") (attached hereto as Exhibit Q).

IPSPCC, November 25, 1997, Louisiana

Mr. Shinholster then states that after "announcing payphone numbers and customer, the IXC representative is allowed to stay on line as an observer only." Id. This statement plainly confirms that the three-party telephone procedures for placing orders by competitive payphone providers that existed prior to BellSouth's entry into the marketplace has been changed. By limiting the role of the IXC as it does, BSPC is able to impede the ability to BellSouth's competitors to effect a service order on behalf of end users.

Mr. Shinholster's next statement mischaracterizes the IPSPCC opposition. Shinholster Aff. ¶ 3.B. Mr. Shinholster states that the IPSPCC complained about BSPC refusing to make PIC changes because the end user was under a contract with TelTrust. This is not the point of IPSPCC's opposition. During these calls, BSPC informs both the customer and the competitive payphone provider representative that BSPC will not accept a PIC selection other than TelTrust. The customer has no idea what or who TelTrust is and has certainly not signed any contract with TelTrust.

The irrelevance of Mr. Shinholster's additional attempts at explaining BSPC's involvement with the ordering process is glaringly evident. He first turns the relationship on its head, by stating that when a customer has a contract with TelTrust, that contract indicates that "BSPC has been authorized to select the PIC on behalf of the location provider." If a contract did exist between the location provider and TelTrust, the location provider would have already selected TelTrust as its PIC and there would be no need for that same contract to authorize BSPC to do something the location provider has already done for itself, namely, select a PIC.

Further evidence of the manipulation carried out by BSPC -- Mr. Shinholster admits that another person must be contacted to explain the contract to the end user since the BSPC

IPSPCC, November 25, 1997, Louisiana

representative on the three-way call would haven't a copy at "his terminal;" and later in the same paragraph that the customer is unlikely to have a copy of the contract in any event. These statements raise interesting questions about what Mr. Shinholster's statements really mean. How is an end user to be understood to have authorized BSPC or TelTrust to provide service in a contract the end user doesn't understand or hasn't even seen? The clear implications of these statements are that end users have neither seen, understood nor even have a copy of the "contract" allegedly authorizing BSPC and/or TelTrust to make a PIC selection for them.¹⁸

Mr Shinholster's affidavit gets even more incredible. In defending BSPC's refusal to answer questions about contracts which end users have allegedly entered, despite not knowing their terms or that one even existed, Mr. Shinholster states that the BSPC representative is "following established procedures." This is a misstatement.

Mr. Shinholster explains that while an IXC can be on the three-way call, and give BSPC "pertinent information," at that point the IXC must shut up and hand the call over to the customer. After such "hand off" the IXC can say nothing further. Previous to BellSouth's entry into the payphone market, "established procedures" were to conduct a three-way call with the end user, the IXC and BellSouth, all three of which conducted the necessary conversations to permit the order for

¹⁸ While logic suggests that Mr. Shinholster meant to imply no more than that the end user may have misplaced, lost or otherwise innocently been deprived of a copy of the contract, such an assumption is not warranted by the facts. An end user would certainly remember signing a contract that appointed TelTrust as its PIC, or appointed BSPC to select its PIC. A simple mention of such fact during the call should prompt instant recall of such a substantive fact. Moreover, without substantiating documents or other corroboration, Mr. Shinholster's explanation simply is not credible.

a PIC to be completed. Mr. Shinholster's reference to "established procedures" is, therefore, disingenuous.

He next states that the IXC may remain and observe the call. The facts are different. What actually occurs is BSPC refuses to discuss any PIC selection other than TelTrust and if questions are raised or the end user or IXC insist on discussing another PIC, BSPC representatives have simply hung up the phone.

Mr. Shinholster next confirms that BSPC is in charge of processing its competitors' orders. Shinholster Aff. ¶ 3.D. According to Mr. Shinholster, the procedures for BSPC to handle three-way calls among IXCs and end users is "outlined in the BSPC office procedure manuals." Mr. Shinholster does not provide a copy of those manuals, nor even a specific title or other identifying reference. Nor does he indicate how they might differ from the procedures that were followed by BellSouth, the LEC. Mr. Shinholster is simply engaging in further attempts at obfuscation. He seeks to mix the rights of BSPC to submit lawfully-obtained access orders, as any competitive payphone provider would, with the unlawful scenario of BSPC handling its competitors' access orders in a manner that unlawfully frustrates their being provisioned.

Finally, Mr. Shinholster declares the specific instances of abusive tactics cited by the IPSPCC are without merit. Mr. Shinholster finds these examples "too vague," ignore the end user subscription to "BSPC's Business Payphone Service," involved a person "not listed as the person authorized to select the InterLATA carrier for that phone," or simply declares that in all other cases, the location provider "appointed BSPC as their agent to act on their behalf in negotiating with interexchange carriers." Shinholster Aff. ¶ 4. Mr. Shinholster again offers no documents or other

corroboration for these statements. If the Commission wishes to accept the explanation of the "fox" found in the "henhouse," Mr. Shinholster may have some points. But self-serving statements, based only on a "best of my knowledge" declaration, is unreliable and devoid of any evidentiary weight, particularly when they contain contradictions or simply raise more puzzling questions. For example, what documentation shows, that of those location providers allegedly appointing BSPC to act on their behalf "in negotiating with interexchange carriers," they knew that if indeed they appointed BSPC to conduct such negotiations, there would be no such negotiations. On the contrary, the choice will have already been made by BSPC, that is, TelTrust. What documentation or other corroboration exists that, had these end users known they were limited to TelTrust, they still would have appointed BSPC as their agent?

Mr. Shinholster's affidavit is simply not credible as a defense, but does contain several admissions against interest the Commission should take official notice of in making its public interest determinations on this application.

BellSouth's South Carolina Reply Brief in defense of BSPC's and BellSouth's practices is equally without merit. Citing a contractual provision purporting to preserve the location providers rights under an existing contract, South Carolina Reply Br. at 102, does little good when not followed in practice. Moreover, such a "savings clause" does no good when the contracts are not available until after the fact or not at all - Shinholster Aff. ¶ 3.B.

Reliance on IPSPCC's allegations being "fully investigated," South Carolina Reply Br. at 102, is also unpersuasive. The sole support for this statement is the affidavit of Mr. Shinholster. Mr Shinholster's affidavit has been shown not to be credible.

The argument that location providers are merely designating BSPC as an agent to select a PIC, Id. is based on a false premise. BSPC will not arrange for a PIC selection other than TelTrust. The arbitrary no-option selection of TelTrust by BSPC is nowhere explained to any location provider before it signs a BSPC agreement. Hence this argument is not responsive.

The justification on which BellSouth purports to rely to justify its monthly charge consists of a few sentences in a footnote in its original Brief, BellSouth Br. at 98, n. 62. The explanation provided is devoid of factual support and contrary to experience. First, BellSouth cites no previous state or federal tariff provisions authorizing a charge of \$15.00 per month. But the charge is certainly a monthly recurring charge imposed in connection with payphone services. While BSPC may not be required to tariff the charge, the basis for its existence today cannot be reconciled with BellSouth's previous practices. In short, BellSouth, the LEC, never imposed a charge of this nature when it provided the identical services it does today through its payphone subsidiary. Moreover, BellSouth admits that the charge is a creation of its entry into the payphone arena and is assessed only against location providers that do not choose BSPC's PIC. When it seeks to justify this charge on the basis of cost recovery, it fails to provide any support for this assertion. What it ignores as well, is the fact that these payphones have been supported for years by monopoly rate payers. The Commission should rightfully expect that at a minimum BellSouth would present cost information on how the \$15 monthly charge relates to its recovery of the unamortized costs of these phones. The figures for these costs should be readily available as the transaction of transferring these phones from BellSouth to BSPC should be recorded on the books of both companies pursuant to the Commission's affiliate transaction rules.

What BellSouth also fails to justify is its claim that the \$15 fee applies to only "a small minority of its payphones that generate insufficient traffic to recover costs." Id. If this be true, there should be records on which to establish the dividing line between payphones which have a sufficient volume of traffic to avoid the charge and those that do not.

The final spotlight showing the make-weight, boot-strap reasoning behind BellSouth's assertions on this \$15 charge, is the claim that BSPC anticipates that "it will be able to make up the shortfall on these payphones by negotiating with an interexchange carrier to carry the traffic from the Business Payphones." But BSPC does not negotiate with multiple IXC's. It uses only one IXC, TelTrust. Hence, either the negotiations have taken place and the specific results thereof may be made available to the Commission, or the argument is but a ruse in an attempt to conceal the true purpose of the \$15 charge which is to discipline location providers' choices of a PIC.

BellSouth denies that it engages in "slamming." South Carolina Reply Br. at 103. This denial is unpersuasive. Using the term in its broadest context, BSPC would be guilty of slamming when it: (1) fails to adhere to a location provider's request for a PIC of its choosing instead of BSPC's choosing; (2) BSPC unilaterally changes a location provider's PIC without that location provider's knowledge or consent; (3) when it vitiates the location provider's ability to make a choice through disinformation or the imposition, real or threatened, of penalties for failing to adhere to BSPC's wishes in the choice of a PIC. BSPC's unsupported denial that it does not slam is no rebuttal to these charges.

BSPC attempts to dismiss the issues raised by its contractual relationship with TelTrust as nothing more than a standard commission agreement. Id. All other considerations being equal, this

IPSPCC, November 25, 1997, Louisiana

explanation lacks credibility. At a minimum, BSPC should be made to produce the contract with TelTrust. Importantly, the contract also needs to be examined in the context of a conspiracy to restrain trade in violation of the Sherman Act.

CONCLUSION

The foregoing premises considered, the IPSPCC requests the Commission deny BellSouth's instant application on the merits; set forth in its decision denying the application that the type of conduct engaged in, on which the IPSPCC's opposition is herein based, is unlawful and that such conduct, unless corrected and eliminated, will be taken into account in considering any future 271 applications, whether submitted by BellSouth or any other RBOC.

Respectfully submitted,

The Independent Payphone
Providers for Consumer Choice ("IPSPCC")

By:


Charles H. Helein

Of Counsel:

HELEIN & ASSOCIATES, P.C.
8180 Greensboro Drive
Suite 700
McLean, Virginia 22102
Telephone: (703) 714-1300
Facsimile: (703) 714-1330

Dated: November 25, 1997

AFFIDAVIT

I, Larry Kay, am an officer with an independent payphone service provider ("IPSP").

I assisted in the organization of the Independent Payphone Service Providers for Consumer Choice ("IPSPCC").

IPSPCC is a non-profit organization created to preserve end user's rights to choose their interexchange service provider for their respective payphone locations and to preserve fair competition in the provisioning of payphone services.

The organization of the IPSPCC became necessary because of the marketing tactics of certain Regional Bell Operating Companies ("RBOCs") beginning in March and April of this year and continuing to date.

IPSPCC's membership includes individuals and companies engaged in the provision of payphone services to end users or premise owners.

As a member of the IPSPCC, I have read the foregoing "Brief and Comments in Opposition to the Application of BellSouth for Provision of In-region, InterLATA Services in Louisiana" filed on behalf of the IPSPCC ("IPSPCC Brief").

As an officer of a company engaged in providing and marketing payphone services to the public, I personally received numerous reports about the tactics being used by RBOCs from agents and others marketing competitive payphone services directly to payphone users.

I began receiving these reports in the March/April timeframe of 1997.

These reports concerned the tactics, primarily of two RBOCs, one of which was BellSouth Telecommunications, Inc. and/or BellSouth Public Communications, Inc. (collectively "BellSouth").

The reports from agents and others concerned BellSouth's use of a monthly charge of \$15.00, levied against premise owners, by BellSouth whenever such premise owner refused to accept

BellSouth's preferred interexchange carrier, TelTrust Communications Services ("TelTrust").

In addition, I received numerous reports that BellSouth personnel, with whom orders had been routinely placed in the past to hook up a premises owner to the competitive payphone services of IPSPCC members, were no longer following the standard procedures for processing such orders.

I received reports that BellSouth personnel who had previously worked the orders submitted by competitive payphone services as part of BellSouth's monopoly local exchange telephone company, were now acting like or as agent/representatives of BellSouth's competitive payphone subsidiary, BellSouth Public Communications, Inc. ("BSPCI").

As agents/representatives of BSPCI, these BellSouth personnel would refuse to process orders submitted by competitive payphone company representatives, using rude and intimidating behavior toward such representatives and the end user premises owners.

Such behavior was exhibited most often during the three-party telephone hookups previously and routinely used to place orders for new or changed payphone services by competitive payphone providers with BellSouth's monopoly telephone company.

In addition, BellSouth provided end users with printed form contracts, the purpose and content of which was designed to override and supersede any existing oral or written contract an end user premises owner had with a competitive payphone provider.

A copy of such contract has been submitted as Exhibit A to the IPSPCC Brief.

Beginning in June, 1997, I began a program by which to have instances in which BellSouth engaged in the foregoing tactics described hereinabove recorded in statements and affidavits by the IPSP agents and representatives directly affected by BellSouth's marketing tactics.

The information submitted in Exhibit D are true and accurate copies of the statements and

information I received in response to the program undertaken.

Based on the frequency and consistency of the statements and information received, the IPSPCC was formed and actions undertaken by IPSPCC to bring to the appropriate government authorities at both the state and federal levels instituted by the IPSPCC.

The IPSPCC continues to receive reports of the use by BellSouth of tactics outlined in this Affidavit and Exhibit D, all of which tactics appear to be in furtherance of BellSouth's plan to require end users to select TelTrust as the only available interexchange carrier BellSouth will allow to provide interexchange services to payphones in BellSouth's territories.

Additionally, IPSPCC members have many payphone members have spoken to many payphone customers who report their interexchange carrier was changed to TelTrust without their authorization.

IPSPCC members are experiencing similar tactics being used by other RBOCs, including Ameritech, Bell Atlantic, Southwestern Bell Telephone Company and its subsidiary, Pacific Bell.

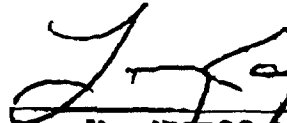
The facts stated in the foregoing IPSPCC Brief are true to the best of my knowledge, information and belief.

Additional facts and information of the marketing tactics by BellSouth are being gathered.

IPSPCC is prepared to provide further evidence of these tactics should the Commission deem it necessary or desirable to receive same.


[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Further Affiant sayeth not at this time.



Larry Kay, IPSFCC Organizing Chair

Subscribed and sworn to before me this 25th day of November, 1997.


Notary Public

My commission expires: 1/10/99

[SEAL]

CERTIFICATE OF SERVICE

I, Suzanne M. Helein, a secretary in the law offices of Helein & Associates, P.C., do hereby state and affirm that I have cause copies of the foregoing "Brief and Comments in Opposition to the Application of Bellsouth for Provision of In-region, InterLATA Services in Louisiana," to be served upon the following, in the manner indicated, on this 25th day of November, 1997:

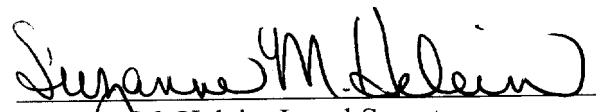
Office of the Secretary (Original + 11 + diskette)
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554
(Via Hand Delivery)

Janice Myles (Five copies)
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 544
Washington, D.C. 20554
(Via Hand Delivery)

Department of Justice (One copy)
c/o Donald J. Russell
Telecommunications Task Force
Antitrust Division
Room 8205
555 Fourth Street, N.W.
Washington, D.C. 20001
(Via Hand Delivery)

Louisiana Public Service Commission (One copy)
1 American Place, Suite 1630
Baton Rouge, Louisiana 70825
(Via Federal Express)

ITS, Inc. (One copy)
1231 20th Street, N.W.
Washington, D.C. 20036
(Via Hand Delivery)


Suzanne M. Helein, Legal Secretary

© **BELLSOUTH**

BellSouth Public Communications
760 Greenland Avenue
Jacksonville, Fla. 32221

July 1996

Dear Valued BellSouth Customer:

Thank you for choosing BellSouth Public Communications for your payphone needs. We appreciate your trust and the opportunity to serve you better by bringing you single-source convenience for all your payphone services and equipment.

As we promised in our recent telephone conversation, a written copy of the agreement is enclosed. It authorizes us to arrange interexchange long-distance payphone service on your behalf when federal rules implementing the Telecommunications Act of 1996 go into effect a few months from now.

Please sign and return the white copy in the postage-paid envelope, along with the blue card indicating where you'd like us to send the ~~\$35~~ per-line bonus for each payphone and a name to whom the check should be made payable.

AL
9/24/96

You'll be all set when the rules for the new telecommunications legislation take effect. If the Federal Communications Commission's rules don't allow us to offer some of the services outlined in the agreement, you will not be obligated by it. We would still be able to take care of your other payphone services, as before.

If you have any questions, please call us toll free at 1-888-222-2646. Again, thank you for making BellSouth your first choice in payphone services.

Sincerely,

Sondra Williams

Sondra Williams
Sales Manager

AGREEMENT
FOR
SERVICE NEGOTIATION RIGHTS

This Agreement for Service Negotiation Rights ("Agreement") is made by and between BellSouth Telecommunications, Inc., ("The Company") having its principal place of business at 675 West Peachtree Street, Atlanta, Georgia 30367 and SEBASTIAN HIGH SCHOOL (Location Provider) having its principal place of business at 4001 9TH AV, VERO BEACH.

To the extent permissible by law, the Location Provider designates The Company as its exclusive Agent for all matters relating to pay telephone service, including but not limited to the selection of the primary interexchange carrier (PIC) for all pay telephones covered under this Agreement.

This Agreement shall be effective upon, and subject to the approval and implementation by the Federal Communications Commission ("FCC") of regulations pursuant to Section 276 of the Telecommunications Reform Act which provides for the right of The Company to select preferred interLATA carriers for its pay telephones. Should the FCC find that such right of interLATA carrier selection is not in the public interest, this Agreement shall be void and of no effect.

In the event Location Provider has an existing Agreement with another entity for interLATA services at such pay telephones, then the right granted to The Company by this Agreement shall become effective immediately upon termination of such agreement with another entity subject to the foregoing paragraph.

Should there be an existing Location Provider Agreement between The Company and Location Provider, this Agreement for Service Negotiation Rights shall be incorporated therein and become a part thereof, upon approval and implementation by the FCC of the right of the Company to select the interLATA carriers.

35.00
H In consideration of the foregoing, The Company shall pay to Location Provider a one time signing bonus of twenty-five dollars (525.00) per line. In addition to the foregoing, the Company shall pay to Location Provider remuneration on a monthly basis or other, based on 12 % of BellSouth Public Communications 0+ and 0- dialed interLATA toll billed revenues. The signing bonus and remuneration is contingent upon approval and implementation by the FCC of the right of the Company to select the interLATA carriers.

This Agreement may be transferred or assigned, in whole or in part, by the Company to any parent, successor, or affiliated company of The Company.

FOR BELL SOUTH:

signature

printed or typed name

title

date

FOR LOCATION PROVIDER:

✓

signature

✓

printed or typed name

✓

title

✓

date

Reference Payphone Number: 561 589-9439, 589-9434, 589-9385, 589-8299
(ACCT # 401 933-7518-234)

Attn: Uylonda.

BellSouth Public Communications, Inc.
2000 N. 1st Ave.
Homewood, Alabama 36209

March 14, 1997

Dear BellSouth Semi-Public Coin Telephone Customer:

We'd like for you to know about an important change to your semi-public telephone service that will soon take place.

The Telecommunications Act of 1996 requires all telephone companies to "deregulate" semi-public coin telephone service. As a result, BellSouth Telecommunications will no longer be providing semi-public payphone service after March 31, 1997.

BellSouth Public Communications, Inc., a separate subsidiary of BellSouth Telecommunications, Inc., has been created to provide you with a single point of contact for all your payphone service needs. We'll still be the same BellSouth people and technology you've come to know and trust, but with even more focus and flexibility on serving you and your customers.

Effective April 1, 1997, you will begin to receive a new and expanded service called "BellSouth Business Payphone Service." This service will be provided by our new payphone services company, BellSouth Public Communications, Inc. You'll still receive all the benefits of BellSouth's 100 years of excellence in customer service, repair and maintenance, and advanced technology. And soon, BellSouth Business Payphone Service will enable you to enjoy single-source management of both your local and long distance service using BellSouth's preferred carriers. Even though the charges for this exceptional service are slightly higher than your former semi-public monthly charges, BellSouth Business Payphone Service is truly an incredible value. It is priced the same as or below most alternatives offered by other payphone providers or your local telephone company.

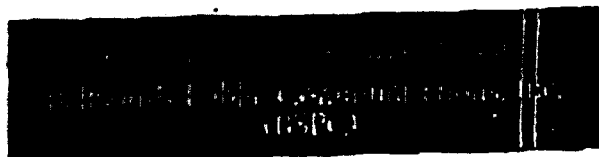
That means you can benefit from hassle-free responsiveness and one-stop convenience for all your payphone service needs. When your BellSouth Business Payphone Service begins on April 1, 1997, ~~there will be no change in long distance carrier. When we receive FCC approval to be able to~~ contract and negotiate for long distance service on your behalf, we will contact you to obtain your authorization to use our preferred carriers. In the meantime, if you already have a contract with another carrier, please call us.

For more information about the positive changes we're making in your service, please refer to the Question and Answer section following. As always, if you have other questions, feel free to call us. We have set up a toll-free response line at 1-888-895-5590 for this purpose.

We are excited about this opportunity to combine tradition with innovation and bring you BellSouth Business Payphone Service...the best value in payphone service today; value that will work for you.

Sincerely,

Wally Hamlett



How will these changes affect my service?

BellSouth Business Payphone Service is a new service but is expected to meet the same kinds of customer needs as our former semi-public payphone offering. BellSouth Business Payphone Service continues BellSouth's tradition of dedicated and trustworthy technicians offering reliable, courteous, and professional repair and maintenance, all backed by over 100 years of experience. The BellSouth brand that remains on your coin telephone assures you that your payphone equipment is strong and vandal-resistant, and that your service is proven for its dependability and ease of operation.

How will I be billed for the new BellSouth Business Payphone Service?

You will receive your final bill for semi-public coin telephone service from BellSouth Telecommunications, Inc. If you are due a credit, you will receive it directly from BellSouth Telecommunications, Inc.

You will immediately begin receiving a bill for your new BellSouth Business Payphone Service from BellSouth Public Communications, Inc. This bill includes charges for your payphone service and any equipment used in conjunction with this service.

How will this change affect my telephone number?

Your telephone number will not change unless you request it.

I advertise in the BellSouth Yellow Pages. Will BellSouth Public Communications, Inc., take over that responsibility as well and will my advertising charges continue to appear on my monthly bill?

No. You will receive your charges for advertising in the BellSouth Yellow Pages directly from BellSouth Advertising and Publishing Company on a separate bill.

Will I still be exempt from sales tax?

If your account is exempt from sales tax, it will be necessary for you to immediately provide us with a copy of your exemption certificate in order to continue that exemption. Please mail a copy of your certificate to us at:

BellSouth, 675 W. Peachtree St. NE, 3781 BellSouth Center, Atlanta, Georgia 30375.

**"BellSouth Public Communications
Is Proud To Now Offer You High-Quality
Long Distance Service As Part Of Our
Complete Payphone Service Package."**

Getting everything you need for your paper service is now so much simpler.

All it takes is a simple YES! BellSouth Business Payphone Service was developed to give customers like you single source management of local and long distance service using BellSouth-preferred carriers.

As always, you benefit from BellSouth's unparalleled 100 years of payphone experience in the Southeast. You can count on the great quality and helpful service they expect from BellSouth. A plus reason: BellSouth's payphones that work. And now, whether they're calling here, at home or across the country, BellSouth's the name they'd be looking for.

We will be contacting you soon for authorization to begin the selection of long distance service at your BellSouth payphone location. Your choice of the total BellSouth payphone service package featuring a BellSouth-preferred carrier enables us to continue your BellSouth Automatic Payphone Service at the same rate. Or, you may pick a different long distance provider at an additional \$15 per month charge. To take advantage of BellSouth's total package, please fill out and return the enclosed card as soon as possible.

We thank you for your business and for the opportunity to now provide you and your customers with high quality long distance service. If you have any questions or would like the convenience of saying "YES!" to long distance, call our special toll-free information line, 1-888-895-5590.

[REDACTED]

July 29, 1997

TO: [REDACTED]

FR: [REDACTED]

Larry Kay

RE: Bell South

I spoke with the supervisor for public payphones at Bell South. Her name is Ms. Macy Klimes Phone Number 404-529-7142. Ms. Klimes stated that a letter was mailed to all Bell South public payphone customers (9 states) saying the following: 1) Teltrust has been selected as a preferred carrier, 2) If you select Teltrust to be the carrier on your public payphones you will not be charged, 3) If you choose your own carrier you will be billed \$15.00 every month, 4) Bell South WILL NOT pay commissions to customers who have Teltrust as the carrier.

Examples of this:

A) Mr. Henry Tiernan at the Sugar Mill RV Park, Ochlocknee, GA pays a monthly \$35 line charge to Bell South to keep a public payphone at his location. He does this for the convenience of his customers and visitors. Bell South increased his bill to \$50.00 because he did not change to the Bell South preferred carrier, Teltrust.

B) Floyd Oil company, Kenny Floyd (Owner) Ph# 502-633-6623. An NOS agent did a 3 way call with the customer and Bell South to change the carrier on his 2 payphones, ANIs: 502-533-9040 and 502-639-9257. Ms. Morris at Bell South (404-529-8220) first said the change would be made then change her mind and said the Bell South marketing department would have to speak with Mr. Floyd. Ms. Morris told Mr. Floyd to expect a call back in two (2) days from the marketing department.

Obviously, they are going to attempt to sell Mr. Floyd long distance when no NOS agent is on the line.

C) An NOS agent contacted Knights Key Corporation (NOS CUSTOMER) in Marathon, FL. Mr. James Kyle, owner and his associate, Jane, (Ph# 305-743-7227) said a Bell South representative named John Werry visited the property. Knights Key Corp. has been an NOS customer and the payphones stopped showing traffic in May 1997. Mr. Kyles associate Jane said John Werry told them that if Mr. Kyle does not take Bell South Long Distance (no mention of Teltrust) then Bell South would remove the payphones. Mr. Kyle nor Jane have ever heard of Teltrust.

Additionally, No one from Bell South ever asked the customer if they had an existing contract. Is this interference??

Lastly: If the Bell company creates a separate division for purposes of managing the public payphones are they afforded a special relationship with the parent company from which they separated. In other words, can Bell South long distance get special considerations from the parent Bell South. Doesn't the CEI plan demonstrate how the two companies are to be autonomous? Is this Self dealing?

SEND TO: _____

OLYMPIC / NATIONWIDE OFFICIAL LEC COMPLAINT
FORM

THIS FORM IS TO BE USED TO REPORT ANY QUESTIONABLE
PROCEDURE PERFORMED BY THE LEC. IT WILL BE REVIEWED,
AND ACTION MAY BE TAKEN IF NEED BE.

DATE: 8-21YOUR NAME: Ivy Gordon
LEC: Bell SouthLEC REP.: Sheila

CUSTOMER INFO: 1. SITE NAME Mr Budget Kwik Shop
2. CONTACT Bill Chappell TITLE Owner
3. ADDRESS 898 milliken rd
CITY Spartanburg STATE/ZIP SC 29303
BUSINESS NUMBER (804) 573 5715
ANI NUMBER(S) (804) 582-9708 /

EXPLAIN WHAT

HAPPENED: Lec interrupted me in my
introduction of customer + info
and ask me "what exactly was I
calling for" when I replied O-

pic change. She continued with
the customer only + refused to let me
give info. She asked the customer for
an ID # + then told us he had TCS (Teltrust)
She would not activate it on the
8-26 + Bell South rep would call him in
action 3 days to discuss the account &
taken: refused to
tell us
why.